

Regular Session, 2009

SENATE BILL NO. 214

BY SENATOR MORRISH

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

INSURANCE CLAIMS. Authorizes the commissioner of insurance to extend the time period within which to process certain claims arising from a declared emergency or disaster. (8/15/09)

AN ACT

To amend and reenact R.S. 22:1892(A)(3), relative to insurance; to authorize the commissioner of insurance to extend the time period for the filing of certain claims on policies covering damage that occurs during certain declared emergencies or disasters; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:1892(A)(3) is hereby amended and reenacted to read as follows:

§1892. Payment and adjustment of claims, policies other than life and health and accident; personal vehicle damage claims; extension of time to respond to claims during emergency or disaster; penalties; arson-related claims suspension

A. \* \* \*

(3) Except in the case of catastrophic loss, the insurer shall initiate loss adjustment of a property damage claim and of a claim for reasonable medical expenses within fourteen days after notification of loss by the claimant. In the case of catastrophic loss, the insurer shall initiate loss adjustment of a property damage claim within thirty days after notification of loss by the claimant except that the

1 commissioner may promulgate a rule for extending the time period for  
2 initiating a loss adjustment for damages arising from a presidentially declared  
3 emergency or disaster or a gubernatorially declared emergency or disaster up  
4 to an additional thirty days. Thereafter, only one additional extension of the  
5 period of time for initiating a loss adjustment, must be approved by the Senate  
6 Committee on Insurance and the House Committee on Insurance, voting  
7 separately. Failure to comply with the provisions of this Paragraph shall subject the  
8 insurer to the penalties provided in R.S. 22:1973.

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The original instrument and the following digest, which constitutes no part  
of the legislative instrument, were prepared by Thomas L. Tyler.

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#### DIGEST

Morrish (SB 214)

Present law requires insurers to initiate loss adjustment of a property damage claim and a reasonable claim for medical expenses within 14 days after notification of the loss. Proposed law retains this provision.

Present law in cases of a catastrophic loss, requires the insurer to initiate loss adjustment of a property damage claim within 30 days after notification. Proposed law retains this provision but further authorizes the commissioner of insurance to promulgate a rule to extend this 30 day period if the damage arises from a presidentially declared emergency or disaster or a gubernatorially declared emergency or disaster. Provides that after the initial extension which occurs under the rule promulgated by the commissioner, thereafter only one additional extension is allowed and requires that this extension be approved by the Senate Committee on Insurance and the House Committee on Insurance, voting separately.

Proposed law retains present law which subjects the insurer to penalties for failure to comply with law.

Effective on August 15, 2009.

(Amends R.S. 22:1892(A)(3))

#### Summary of Amendments Adopted by Senate

##### Committee Amendments Proposed by Senate Committee on Insurance to the original bill.

1. Removes provisions authorizing the commissioner to extend the time for filing claims resulting from a declared emergency or disaster.
2. Adds provision authorizing the commissioner to extend the time to initiate a loss adjustment for damages arising from a declared disaster.

Senate Floor Amendments to engrossed bill.

1. Authorizes only one additional extension of the time period to initiate a loss adjustment and requires that this be approved by the two legislative insurance committees, voting separately.